

Oak Meadows Service Company Annual Meeting Minutes of the Annual Meeting of 4/6/2011

Call to Order at 6:00 pm April 6, 2011 in the Community Meeting room of US Bank, Glenwood Springs CO by President Chris Lehrman.

**Roll Call: Present: 18 Present by Proxy: 28 Not Attending: 94 Total: 140
Thus, with 32% present or present by proxy, a quorum was declared present.**

Information for voting on Board Members:

At last year's Annual Meeting, Resolution #2010-1 was passed allowing a quorum to constitute 25% of OMSCO membership as a whole. A quorum is no longer needed from a specific filing to elect their Director. A majority of those attending that Filing is all that is needed. Therefore, the attendance by Filing is for informational purposes only.

The following is a list of those attending or attending by proxy:

Filing 3:

| Name: | PP | Proxy: |
|----------------------------|-----------|----------------|
| Beightel, Gregory & Teresa | X | |
| Blocker, George | X | |
| Buxman, John | | George Blocker |
| Carter-Schlund, Yvonne | | Greg Beightel |
| Elston, Corrine | | Chris Lehrman |
| Fuller, John & Julie | | George Blocker |
| Haupt, Jeff & Tresi | X | |
| Stolbach, Bruce | | George Blocker |
| Walther, Randy & Nan | X | |

Total in Filing 3: 16 Number Present/Proxy: 9 56% Present.

Filing 4A:

| Name: | PP | Proxy: |
|------------------------|-----------|-----------------|
| Abbott, Dale | | Chris Lehrman |
| Astrach, James | X | |
| Baldwin, Marie | | David Pendleton |
| Barker, Janice | | Chris Lehrman |
| Brown, Chris | X | |
| Conolly, Harry & Nancy | | Lynn Astrch |
| Gerstner, Heath | | Jonathan Kelly |
| Greer, Greg | | Jeff Haupt |
| Kelly, Jonathan | X | |
| Kuhn, Stephen | X | |
| Lehrman, Chris | X | |
| Nelson, Scott | | Chris Lehrman |
| Pendelton, David | X | |
| Powley, Linda | | Chris Lehrman |

| | | |
|---------------------------|---|----------------|
| Roginski, Edmund | | Chris Brown |
| Rombach, Robert & Lillian | | Chris Lehrman |
| Scranton, Richard | X | |
| Teitelman, Andrew | X | |
| Thatcher, George | X | |
| Torres, Nathan | | Jeff Haupt |
| Ullrich, Ronny | | Jonathan Kelly |
| Uren, Richard & Tony | | Chris Lehrman |
| Voss-Patterson, Marie | | Jonathan Kelly |

Total in Filing 4A: 63 Total Present/Proxy: 23 36% Present

Filing 4B:

| Name: | PP | Proxy: |
|---------------------------|-----------|---------------|
| Behm, Donald | | Les Schaub |
| Blue, Leslie | | Chris Lehrman |
| Cima, Emil & Patricia | X | |
| Delaney, Betty | X | |
| Delaney, Ralph | X | |
| Fiscus, David | | Chris Lehrman |
| Fordham, Mark | | Chris Lehrman |
| Fordham, Mark (lot) | | Chris Lehrman |
| Harrison, Wendy | | Les Schaub |
| Lehrman, Chris (lot) | X | |
| Milliken, Bruce & Darlene | | Betty Delaney |
| O'Brien, Steven | | Les Schaub |
| Schaub, Les | X | |
| Schaeneman, Priscilla | | Chris Lehrman |

Total in Filing 4B: 60 Total Present/Proxy: 14 23% Present

ANNUAL REPORT:

BOOKKEEPER.

Donna Yost of Just Figures Bookkeeping continues to be retained (since January 2009) to do the bookkeeping and billing. She also attends the meeting and takes the minutes.

ATTORNEY:

Susan Snyder continues to advise us with legal issues and to file liens on delinquent accounts.

Nicole Garrimone of Garfield & Hecht was retained last year to file a water rights filing that is due every 6 years to maintain our water rights. The Four Mile Well had a water rights diligence due in March 2010 and has just been completed.

OMSCO E-MAIL AND WEBSITE.

The OMSCO e-mail is oakmeadowswaterandsewer@gmail.com. The board is trying to compile an e-mail list of all customers for communicating OMSCO issues.

The WEBSITE IS ACTIVELY UPDATED. It contains contact information, the last 12 months of meeting minutes, current rates, organizational documents and inspection reports. The website is http://oak-meadows.us/omsko_new.htm.

WATER AND SEWER OPERATIONS:

Scott and Alan Leslie of EPC attended the meeting and gave a report.

- In February two air/vac units froze and broke and caused two major leaks in the upper Filing 3 system. One unit is located in a pit above John Fuller's residence and the other is located on the hill above filing 2 near the Hittinger's home. The sudden drop in water level in the tank above filing 3 caused a two foot layer of ice in the tank to break and fall. This damaged the level transducer in the tank. The transducer normally relays the tank level to the 6&9 well house and essentially controls the clearwell high service pumps. The transducer in the tank is the only control for tank water level. This was an unusually cold winter and they saw freezing problems with other areas they service as well. This was an unusual situation, but they have taken steps to try and make sure this does not happen again.
- Water quality in Filing 3 is problematic. Immediately after changing the filters the water quality will be the best. These filters are expensive.

The Waste Water plant is doing well. There was one backup created by a rock in the line.

Two water meters were shown. The newest one (R900i) no longer requires anything to be mounted outside the house. Only a certain type of stucco mesh with metal in it creates a problem with transmission. The cost is approximately \$170.00.

Please note that everyone needs to keep an eye on their meter readings and have their meter checked if you are getting zero readings. You are responsible if your meter is not functioning correctly. Grand Junction Pipe or Scott at EPC are contacts you can use to purchase a new meter. Any plumber should be able to install it. The serial number is needed to program the meter reader once it is installed.

RATES:

Rates were increased by 5% as of January 2, 2011. The Board determined in 2010 to raise rates 5% per year until reserves are deemed to be sufficient. The Sewer Rate is \$49.00/month and Water is \$44.00. Standby rates are ½ this rate.

There was a suggestion to come up with a way to reward users for conserving water. The base fee is set up to pay the fixed costs of OMSCO, and financially should not be reduced. But reducing the base rate level might be a solution, and changing the overage tiers. The Board agreed to look at this.

LEGAL

Four Mile Well Diligence. Every six years you have to go back to Water Court to show that you are continuing to develop the right for the conditional portion to be put to beneficial use. The decree was for 50 gal/minute. We requested an additional 18 gallons a minute be absolute, and just today the court granted this request. 35 gallons is now absolute, and 15 gallons remains conditional. We own these water rights jointly with Filing 2.

The trial with Oak Meadows Water Association (OMWA), was conducted in January 2010. We are still waiting the decision of the judge.

INFRASTRUCTURE STUDY

Two studies were done this past year on our infrastructure. One was specifically on the water system. It addressed what it would take to build a new tank, and to pump water up to the Filing 3 tank.

The next study (which the draft was just received today) is a complete water and waste water master plan. The engineers and operators looked at what will be needed over the next twenty years. It said that the waste water system basically it is in good condition. We don't do the maintenance we should. Normally the sewer lines should be jetted and cleaned every 3 or 4 years, but because the sewer lines are at a steep enough slope the waste water actually scours the pipe and keeps them fairly clean. But we are looking to obtain an estimate of cleaning the lines. It is not expected to be very expensive.

In 2007 inspectors dove in our two 25,000 gallon tanks and said that they were pretty rusted above the water line and below the enamel paint was in poor to fair condition. Their recommendation was to either re-line the tanks or replace them soon. The estimate to re-line the tanks was about \$25,000. It was decided that we did not want to put more money in these tanks and to look into replacing them.

The study recommends replacing these tanks with double the capacity to 100,000 gallons. We need a tank big enough for one-two days of emergency storage and provide fire protection. It also recommends installing the piping and upgrades necessary to pump water from 4 Mile Water up to the 150,000 tank. Wells 6 & 9 are expensive and are a maintenance nightmare causing discolored water and these improvements would alleviate this.

The cost estimate for these two improvements is \$356,000. The Board has discussed how this could be paid for. The Board is currently considering a \$20.00 per month capital assessment over the next ten years and asked for feedback. It is possible to get 100% financing as long as the bank sees that OMSCO has implemented this fee. Interest rates (4-6%) and building costs are down at this time and it would be possible to save money by doing the construction now. The alternative would be collecting this fee over the next four or five years and then financing the difference with construction at that time.

APPROVAL OF THE MINUTES FROM APRIL 14, 2010 ANNUAL MEETING

Richard Scranton moved to accept the minutes as written. Jim Astrach seconded the motion. The motion was approved unanimously.

APPROVAL OF THE 2011-2012 BUDGET

A proposed budget for 2011-2011 was presented to the membership. Greg Beightel moved to accept the budget as presented. Emil Cima seconded the motion. The motion was approved unanimously.

ELECTION OF DIRECTORS:

Filing 4A: Chris Lehrman was elected Director of 4A

Filing 4B: Les Schaub was elected Director of 4B.

Filing 3: Randy Walther was elected Director of Filing 3.

At Large: Jeff Houpt and Chris Brown were elected Directors At Large.

ADJOURNMENT:

The meeting was adjourned @ 7:45pm.